

# Financial Integrity Rating System of Texas (FIRST)

## Current & Prior Year Ratings

### Midway ISD

Rating Year	2016		2017		2018		2019		2020	
Fiscal Year Included	2014-15		2015-16		2016-17		2017-18		2018-19	
Rating	Superior		Superior		Superior		Superior		Superior	
Indicator	Result	Measure	Result	Measure	Result	Measure	Result	Measure	Result	Measure
Indicator Description										
1	Y		Y		Y		Y		Y	
2.A	Y		Y		Y		Y		Y	
2.B	Y		Y		Y		Y		Y	
3	Y		Y		Y		Y		Y	
4	Y		Y		Y		Y		Y	
5	Y		Y		Y		N/A		N/A	
6	10	\$ 36,813,281.00	10	\$ 44,447,236.00	10	\$ 34,508,669.00	10		10	
7	10	150.1574	8	152.4212	8	146.8175	10	157.7503	8	134.5118
8	8	3.2264	10	2.8273	10	2.5371	10	3.1542	10	2.9369
9	10	0.6963	10	0.5893	10	0.6482	10	0.617	10	0.5561
10	10	Rev exceed exp by 1.4%	10	Rev exceed exp by 1.4%	10	Days cash on hand >= 60 days	10	Rev exceed exp by 3.67%	10	Rev exceed exp by 2.33%
11	10	1.3772	10	1.4676	10	1.4623	10	1.7503	10	1.6897
12	10	0.0747	10	0.0763	10	0.0753	10	0.0861	10	0.094
13	10	Yes	10	Yes	10	Yes	10	Yes	10	Yes
14	10	0%	10	0%	10	0%	10	0%	10	0%
15	10	Yes	10	Yes	10	Yes	10	Yes	10	Yes
<b>Total Points</b>										

#### Determination of District Rating

A. Substandard if the district answered No to indicators 1, 3, 4, 5, or 2.A.

	RATING SUPERIOR	RATING SUPERIOR	RATING SUPERIOR	RATING SUPERIOR	RATING SUPERIOR
	Ratings for 2015	Ratings for 2016	Ratings for 2017	Ratings for 2018	Ratings for 2019
Superior	70-100	90-100	90-100	90-100	90-100
Above Standard	50-69	80-89	80-89	80-89	80-89
Meets Standard	31-49	60-79	60-79	60-79	60-79
Substandard Achievement	<31	<60	<60	<60	<60

<b>Rating Year</b>	<b>2015</b>	
<b>Fiscal Year Included</b>	<b>2013-14</b>	
<b>Rating</b>	<b>Passed</b>	
<b>Indicator</b>	<b>Result</b>	<b>Measure</b>

<i>Indicator Description</i>	Result	Measure
1 Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	Y	
2 Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	Y	
3 Was the school district in compliance with the payment terms of all debt arrangements at fiscal year end?	Y	
4 Was the total unrestricted net asset balance (net of accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero?	Y	
5 Was the school district's administrative cost ratio equal to or less than the threshold ratio (10% for MISD)?	10	7.63%
6 Did the comparison of PEIMS data to like information in Annual Financial Report result in an aggregate variance of less than 3.00% of expenditures per Fund Type (data quality measure)?	10	0.01%
7 Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	10	Yes

**Total Points** 30

**Determination of District Rating**

A. Substandard if the district answered No to indicators 1, 2, 3, or 4

<b>RATING</b>
<b>Pass</b>

B. Ratings  
 Pass  
 Substandard

Ratings for 2014
16-30
<16

Rating Year	2014		2013		2012	
Fiscal Year Included	2012-13		2011-12		2010-11	
Rating	Superior		Superior		Superior	
Indicator	Result	Measure	Result	Measure	Result	Measure
<b>Critical Indicators</b>						
1 Was the total fund balance less non spendable and restricted (reserved) fund balance greater than zero in the General Fund?	Y	\$ 21,163,488	Y	\$ 20,786,917	Y	\$ 22,019,539
2 Was the Total Unrestricted Net Asset Balance (Net of the Accretion of Interest for Capital Appreciation Bonds) in the Governmental Activities column in the Statement of Net Assets greater than zero? (If the district's five-year percent change in students was a 10% increase or more, then the answer is 'yes')	Y	\$ 21,857,707	Y	\$ 22,383,814	Y	\$ 24,003,404
		12.8%		15.0%		15.0%
3 Were there no disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	Y		Y		Y	
4 Was the Annual Financial Report filed within one month after the January 28th deadline?	Y		Y		Y	
5 Was there an unqualified opinion in the Annual Financial Report?	Y		Y		Y	
6 Did the Annual Financial Report not disclose any instance(s) of material weaknesses in internal controls?	Y		Y		Y	
<b>Fiscal Responsibility and Academic Performance</b>						
7 Was the three-year average percent of total tax collections (including delinquent) greater than 98%?	5	99.33%	5	99.15%	5	99.23%
8 Did the comparison of PEIMS data to like information in Annual Financial Report result in an aggregate variance of less than 3.00% of expenditures per Fund Type (data quality measure)?	5	0.01%	5	0.01%	0	4.67%
9 Were debt related expenditures (net of IFA and/or EDA allotment) less than \$350.00 per student (\$250 in 2007-08)?  (If the district's five-year change in students was a 7% increase or more then the district receives 5 points), or  (If property taxes collected per penny of tax effort were more than \$200,000, then the district receives 5 points).	5	\$ 1,217	5	\$ 1,436	5	\$ 1,319
		12.8%		12.0%		15.0%
		\$ 378,491		\$ 361,070		\$ 347,291
10 Was there no disclosure in the Annual Audit Report of material noncompliance?	5		5		5	
11 Did the district have full accreditation status in relation to financial management practices? (e.g., no master or monitor assigned)	5		5		5	
<b>Budgeting</b>						
12 Was the aggregate of budgeted expenditures and other uses less than the aggregate of budgeted total revenues, other resources and fund balance in General Fund?	5	Exp & uses - \$53,042,645 / Rev & sources - \$52,728,646; FB - \$21,163,488	5	Exp & uses - \$54,413,077 / Rev & sources - \$54,980,418; FB - \$20,822,877	5	Exp & uses - \$55,571,789 / Rev & sources - \$54,843,649; FB - \$22,030,958
13 If the district's aggregate fund balance in the General Fund and Capital Projects Fund was less than the zero, were construction projects adequately financed? (were construction projects adequately financed or adjusted by change orders of other legal means to avoid creating or adding to the fund balance deficit situation?)	5	GF \$21,163,488; CP \$0	5	GF \$20,822,877; CP \$0	5	GF \$22,030,958; CP \$1,055,498
14 Was ratio of cash and investments to deferred revenues (excluding amount equal to net delinquent taxes receivable) in the General Fund greater than or equal to 1:1?	5	Cash & Inv \$24,361,522; Def rev \$2,373,703	5	Cash & Inv \$24,568,499; Def rev \$2,784,844	5	Cash & Inv \$22,480,963; Def rev \$1,054,121
<b>Personnel</b>						
15 Was the administrative cost ratio less than the threshold ratio? (12.50% for MISD)	5	7.65%	5	8.38%	5	7.52%
16 Was the ratio of students to teachers within the ranges shown below according to district size? (13 - 22 for MISD)	5	16.35	5	15.79	5	15.01
17 Was the ratio of students to total staff within the ranges shown below according to district size? (For MISD, 6.8 - 14)	5	7.73	5	7.51	5	6.90
<b>Cash Management</b>						
18 Was the decrease in undesignated unreserved fund balance less than 20% over two fiscal years? Or If total revenues exceeded operating expenditures in General Fund, then the district receives 5 points.	5	115.8% Rev \$52,634,949 Exp \$51,165,802	5	110.3% Rev \$52,515,164 Exp \$50,066,213	5	112.8% Rev \$55,859,565 Exp \$52,999,212
19 Was the aggregate total of cash and investments in the General Fund more than \$0.	5	\$ 24,361,522	5	\$ 24,568,499	5	\$ 22,480,963
20 Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate (.0095%)? (Prior Years - Were investment earnings in all funds (excluding Debt Service Fund and Capital Projects Fund) more than \$20.00 per student?)	5	0.3422%	5	0.4390%	5	0.3564%
<b>Total Points</b>		<b>70</b>		<b>70</b>		<b>65</b>

**Determination of District Rating**

A. Substandard if the district answered No to indicators 1, 2, 3, or 4, or if the district answered No to both 5 and 6?

B. Ratings  
 Superior  
 Above Std  
 Standard  
 Substandard

RATING SUPERIOR	RATING SUPERIOR	RATING SUPERIOR
Ratings for 2013	Ratings for 2012	Ratings for 2011
64-70	64-70	64-70
58-63	58-63	58-63
52-57	52-57	52-57
4, or No to 5 & 6	4, or No to 5 & 6	4, or No to 5 & 6

# Midway ISD

## School FIRST Annual Financial Management Report

For the Twelve-Month Period Ended August 31, 2019

### Reimbursements Received by the Superintendent and Board Members

	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
<u>Description of Reimbursements</u>	G. Kazanas	I. Green	T. Pagel	P. Rusek	R. Tullis	S. Vick	P. Watts	B. Alford
Meals	\$786							
Lodging	\$3,963	\$614	\$846	\$880	\$855		\$842	\$895
Transportation	\$1,023	\$131	\$153	\$101		\$112	\$139	\$98
Registrations, Dues & Other	\$5,920	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571	\$1,571
<b>Total</b>	<b>\$11,691</b>	<b>\$2,317</b>	<b>\$2,571</b>	<b>\$2,552</b>	<b>\$2,426</b>	<b>\$1,684</b>	<b>\$2,552</b>	<b>\$2,564</b>

### Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

<u>Date</u>		
Jun-19	Adjunct Professor - Baylor University	\$ 4,500
May-19	Internship Supervisor - Baylor University	\$ 4,000

### Gifts Received by Executive Officers and Board Members and First Degree Relatives, if any (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	G. Kazanas	I. Green	B. Alford	T. Pagel	P. Rusek	R. Tullis	S. Vick	P. Watts
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Business Transactions Between School District and Board Members

	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
	I. Green	B. Alford	T. Pagel	P. Rusek	R. Tullis	S. Vick	P. Watts
<b>Amounts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,516</b>	<b>\$0</b>

# Midway ISD

## School FIRST Annual Financial Management Report

### Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

#### General Fund - First-Quarter Expenditures By Object Code

Report 2019-2020 first-quarter (first three months of fiscal year 2019-2020) GENERAL FUND expenditures by object code using whole numbers.

<b>Payroll-</b> Expenditures for payroll costs	object codes 6110-6149	<u>\$ 15,244,537</u>
<b>Contract Costs-</b> Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	<u>\$ 1,908,523</u>
<b>Supplies and Materials-</b> Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	<u>\$ 1,379,148</u>
<b>Other Operating-</b> Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	<u>\$ 607,037</u>
<b>Debt Service-</b> Expenditures for debt service	object code series 6500	<u>\$ -</u>
<b>Capital Outlay-</b> Expenditures for land, buildings, and equipment	object code series 6600	<u>\$ 232,107</u>
		<u>\$ 19,371,352</u>

#### Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district

Yes No

1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and

X

2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

X

2) Has the school district declared financial exigency within the past two years?

X

## Midway ISD

### School FIRST Annual Financial Management Report

#### Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

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3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

N/A

4) How many superintendents has your school district had in the last five years? \_\_\_\_\_ 1

5) How many business managers has your school district had in the last five years? \_\_\_\_\_ 1

# SUPERINTENDENT'S EMPLOYMENT CONTRACT

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF MCLENNAN

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into by and between the Board of Trustees (the Board") of the Midway Independent School District (the "District") and George E. Kazanas, Ed.D. ("Superintendent").

## WITNESSETH:

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201(b) and Chapter 21, Subchapter E of the Texas Education Code, have agreed, and do hereby agree, as follows:

### I. Term

1.1 **Term.** The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term of five (5) years, commencing on June 1, 2020, and ending on May 31, 2025. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law. Failure to reissue the Contract for an extended term shall not constitute nonrenewal under Board policy.

1.2 **No Tenure.** The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Contract. No property interest, express or implied, is created in continued employment beyond the Contract term.

### II. Employment

2.1 **Duties.** The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

**2.2 Professional Certification.** The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency and all other certificates required by law.

**2.3 Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

**2.4 Board Meetings.** Unless otherwise prohibited by law, the Superintendent shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Contract or the Superintendent's salary and benefits as set forth in this Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board President approved absence, the Superintendent's designee shall attend such meetings.

**2.5 Criticisms, Complaints, and Suggestions.** The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.

**2.6 Indemnification.** To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorney fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorney fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorney fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith, with conscious indifference or reckless disregard; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract, and this Contract, if applicable. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly.

### **III. Compensation**

**3.1 Salary.** The District shall provide the Superintendent with an annual salary in the sum of TWO HUNDRED THIRTY THREE THOUSAND THREE HUNDRED TEN and 00/100 Dollars (\$233,310.00) dollars. This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

**3.2 Salary Adjustments.** At any time during the term of this Contract, the Board may,



in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract except by mutual agreement of the two parties. Such adjustments shall be made pursuant to a lawful Board resolution. In such event, the parties agree to provide their best efforts and reasonable cooperation to execute a new contract incorporating the adjusted salary.

**3.3 Supplemental Retirement Plan.** For each payroll period beginning June 1, 2020 and for each year thereafter during the term of this Contract, the District shall add to the Salary of the Superintendent the amount of Twelve Thousand and NO/100 Dollars (\$12,000.00) annually ("Additional Salary"). One-twelfth of this amount shall be paid as a monthly salary deferral contribution, at the election of the Superintendent, to a plan established by the District under Section 403(b) and/or Sections 457(b) of the Code. In the event the Superintendent executes a salary deferral agreement in accordance with the requirements of Sections 403(b) and/or 457(b) of the Internal Revenue Code (the "Code") in at least the amount of the Additional Salary, the Additional Salary shall be paid as a salary deferral contribution ("Salary Deferral Contribution"). Under and pursuant to applicable Internal Revenue Service rules the Superintendent shall have the option to elect to receive the Additional Salary in cash rather than as a Salary Deferral Contribution. All such Salary Deferral Contributions contemplated herein shall be paid to a plan established by the District under Section 403(b) and/or Section 457(b) of the Code. Such plans shall include investments as allowed under Sections 403(b) 403(b)(7) and/or 457(b) of the Code, respectively, and the investments for the Superintendent's accounts shall be solely at his discretion. The Superintendent shall at all times be 100% vested in his account under the 403(b) and/or 457(b) plan. The Salary Deferral Contributions contemplated herein shall be treated as salary deferrals under the Code and shall be reported as "creditable compensation" by the District for purposes of the Teacher Retirement System of Texas. No payments under this Section shall be made after the Superintendent's employment terminates.

**3.4 Civic Activities.** The Superintendent is encouraged to participate in community and civic affairs. The expense of such activities, subject to Board approval, shall be borne by the District.

**3.5 Insurance.** The District shall pay the premiums due for the Superintendent and his dependents for coverage under one of the group health care plans made available to employees of the District by the District. Any optional coverages (such as for dental, vision or other optional items that are available under the group health care plan chosen by the Superintendent) that the Superintendent selects shall be paid for by the Superintendent. Provided, however, that in the event the District's obligation(s) to pay premiums under this Section 3.5 at any time in the future violates, conflicts with and/or causes the District to be subject to penalties under any federal or state statute and/or regulation, including but not limited to the Patient Protection and Affordable Care Act and/or the Health Care Education and Reconciliation Act, for any reason, including but not limited to prohibitions against advantages based on compensation, the parties agree to provide their good faith best efforts and reasonable cooperation to execute a new contract that is in full compliance with any and all such federal or state statutes and/or regulations and does not subject the District to any penalties. The inability of the parties to agree to and execute a new contract (should it become necessary to do so under this section) shall constitute "good cause" for termination of this Contract.

**3.6 Life Insurance.** The District shall pay the annual premium toward the purchase of a term life insurance policy(ies) or similar life insurance policy(ies) having an aggregate face amount Of FIVE HUNDRED THOUSAND and NO/100 DOLLARS (\$500,000). All such policies provided hereunder would be fifteen year term policies and are conditional upon the Superintendent qualifying for policies at standard rates or better. All life insurance policies provided hereunder shall be owned by the District on the life of the Superintendent, with the Superintendent having the sole right to determine the beneficiary(ies) under each of the life insurance policies.

**3.7 Disability Insurance.** A Superintendent may purchase a long-term disability policy through the District that provides coverage for 60% of Superintendent's salary, with a 90-day elimination period, and that pays disability benefits up to age sixty-seven. In the event Superintendent chooses to purchase such a policy, then the District will reimburse Superintendent for the annual premiums of said policy, and such reimbursements will be included in the taxable income of Superintendent.

**3.8 Vacation, Holiday and Personal leave.** The Superintendent may take, at the Superintendent's choice, with prior notice to the Board President, the same number of days of vacation (non-duty days) authorized by policies adopted by the Board for administrators on twelve-month contracts, the days to be in a single period or at different times. The vacation days (non-duty days) taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts. All accrued, but unused personal leave days and vacation days (non-duty days) shall carry over to the same extent that those days carry over for administrators on twelve-month contracts.

**3.9 Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at and participation in appropriate professional meetings at the local, regional, state and national levels. The Board shall encourage the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such seminars, courses or meetings. The District does hereby agree to provide in the District's budget during the term of this Contract for the benefit of the Superintendent, a professional development budget per contract year to be used for registration, travel, meals, lodging, and other related expenses. The District shall pay the Superintendent's membership dues to the Texas Association of School Administrators, as well as other memberships necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable cost and expense for such attendance and membership.

**3.10 Personal Protection.** The District shall, at its expense, provide to the Superintendent such personal protection as the Board may deem necessary. In the event the life or safety of the Superintendent or the Superintendent's family is threatened or otherwise appears in danger due to the performance of the Superintendent's professional duties, the District shall pay the reasonable and necessary costs incident to the protection of the Superintendent and the Superintendent's family, provided, however, that such protection will initially be sought from the police/sheriff's department of the appropriate governmental authority having jurisdiction in the District.

**3.11 Expenses.** The District shall pay or reimburse the Superintendent for reimbursable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The District also agrees to pay the actual and incidental costs incurred by the Superintendent for travel outside of the Region 12 Education Service area; such costs may

include, but are not limited to, airline tickets, hotels and accommodations, meals, mileage, rental car, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all policies, procedures and documentation requirements in accordance with Board policies and established procedures which shall be subject to review by the District's independent auditors.

#### **IV. Annual Performance Goals**

**4.1 Development of Goals.** The Superintendent shall submit to the Board a preliminary list of goals for the District each year, for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve or revise the list of goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet biannually to assess the goals and may adjust or revise the goals either by action of the Board or upon recommendation of the Superintendent and approval of the Board. The goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The District Goals approved by the Board shall be specific, definitive and measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the District Goals.

#### **V. Review of Performance**

**5.1 Time and Basis of Evaluation.** The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based on the District's progress towards accomplishing the District Goals.

**5.2 Confidentiality.** Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

**5.3 Evaluation Format and Procedures.** The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. In the event the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the Board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within sixty (60) days of the delivery of the written evaluation to the Superintendent, the Board shall meet with the Superintendent to discuss the evaluation. The Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board. In the event the Board deems that the evaluation instrument, format, and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, such modifications must be adopted with input from the Superintendent and the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

#### **VI. Extension or Nonrenewal of Employment Contract**

**6.1 Extension/Nonrenewal.** Extension or nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, Subchapter E, and applicable law. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice not later than the 90th day before the last day of the contract term, containing reasonable notice of the reason(s) for the proposed nonrenewal of the Superintendent's Contract with the District.

## **VII. Termination of Employment Contract**

**7.1 Mutual Agreement.** This Contract may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.

**7.2 Retirement or Death.** This Contract shall be terminated upon the retirement or death of the Superintendent.

**7.3 Termination/Dismissal for Good Cause.** The Board may terminate this Contract and dismiss the Superintendent during the term of the Contract for good cause. The term "good cause" is defined as follows:

- a. Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- b. Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency.
- c. Insubordination or failure to comply with lawful written Board directives;
- d. Willful failure to comply with written Board Policies or District administrative regulations;
- e. Neglect of duties;
- f. Drunkenness or excessive use of alcoholic beverages;
- g. Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
- h. Conviction of a felony or crime involving moral turpitude;
- i. Failure to meet the District's standards of professional conduct;
- j. Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- k. Disability, not otherwise protected by law, that substantially impairs the Superintendent's performance of required duties;
- l. Immorality, which is conduct not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency or depravity;
- m. Assault on an employee or student;
- n. Knowingly falsifying records or documents related to the District's activities;
- o. Conscious misrepresentation of material facts to the Board or other District officials in the conduct of the District's business;
- p. Failure to fulfill requirements for superintendent certification;
- q. Failure to fulfill the requirements of a deficiency plan under an Emergency Plan; or,
- r. Any other reason constituting "good cause" under this Contract and/or Texas law.

**7.4 Termination Procedure.** In the event the Board proposes the termination of this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies, and state and federal law.

**7.5 Resignation of Superintendent.** The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following year. The Superintendent may resign or retire, with the consent of the Board, with one year notice.

#### **Article VIII. Miscellaneous**

**8.1 Controlling law.** This Contract shall be governed by the laws of the State of Texas and shall be performable in McLennan County, Texas, unless otherwise provided by law.

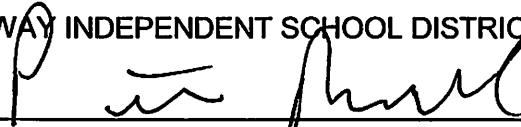
**8.2 Complete Agreement.** This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein.

**8.3 Conflicts.** In the event of any conflict between the terms, conditions and provisions of this Employment Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

**8.4 Savings Clause.** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.


MIDWAY INDEPENDENT SCHOOL DISTRICT

By: \_\_\_\_\_

  
Pete Rusek, President  
Midway Independent School District  
Board of Trustees

ATTEST:

By: \_\_\_\_\_

  
Susan S. Vick, Secretary  
Midway Independent School District  
Board of Trustees

Executed this 21st day of July, 2020.

SUPERINTENDENT

By: \_\_\_\_\_

  
George E. Kazanas

Executed this 21st day of July, 2020.